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CENTRAL INTELLIGENCE GROUP

Overseen Intelligence Budget

Below is given in general outline a justification and explanation of a budget for all overseas

intelligence activities for the fiscal year 1947. The total requirements stated are

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Incorporated in this justification are personnel and expense figures which will indicate the plans for implementation of the overall coverage with an indication of what expenditures

nay be accrued or obligated during the fiscal year 1947.

I. Need for World-Wide Intelligence Coverage. An understanding of the need for intelligence coverage on a world-wide basis requires an analysis of first, the purpose to be served, and secondly, the means of carrying out such purpose. On the first point, essentially the purpose is to assist in enabling

those charged with the task to conceive a sound American foreign policy, and, equally important, to adapt that policy to changing world conditions. Information is the essential ingredient of both policy and its application, and the information must be complete. So Government can be adequately informed without employing clandestine intelligence means to supplement ordinary sources. To be

effective, clandestine intelligence cannot be merely spotted here or there for special investigation.

It must be an interlooking whole equipped to follow the complex play of world events from country to

country and from continent to continent.



Indonesia, Argentina and the Hear East, not to exclude almost every other world area. range perhaps even more so, to know the nature and extent of Soviet political activity in India, is necessary in interpreting Russian activities and plans, but it is no less important and, in the long of the world. Obviously information on such directly influenced countries as Jugoslavia and Roumania connotations for the future. This interest finds food for study in almost all of the major countries Sowiet Union, and of the Governments and organizations which tend to assist it, particularly for their sufficient to indicate the problem. Of primary interest to this Covernment are the activities of the require analysis. An exhaustive analysis would be of prohibitive length, but a single instance is the second point, in studying means to a chieve world-wide coverage, intelligence targets

the purposes of the United States Government. gence coverage is not required in the provision and maintenance of a body of information adequate for believed fundamental that there is no area in which the supplemental assistance of claudestine intelliwhich normally must be obtained by an organization of individuals operating covertly. interests which forwign governments, groups or individuals wish to withhold from our devenment, and intelligence is the collection of information regarding foreign nations and nationals affecting U.S. Although only this one instance is given, it must be understood that the mission of clandestine

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II. Present Status of Overseas Intelligence. At present overseas clandestine intelligence is performed primarily by the Strategic Services Unit. The appropriation upon which it has been required to plan its 1946-1947 operations provides but of the mich are essential to its overseas activities. The result has been a most limited coverage of certain vital areas, and no coverage of some areas which, if not at present of the same degree of priority, are of increasing importance. In the priority areas where coverage is attempted, shortage of funds has necessitated serious under-staffing and inadequate provision for the staff. Only through voluntary assumption by those in the field of a tremendous overload is anything approaching satisfactory results achieved. It is obvious that such strain cannot be maintained indefinitely, and under present circumstances recruiting is barely able to keep abreast of replacements. With the present restrictions there is little hope of establishing new foreign posts and extending coverage to a point which might be called barely adequate. All possible stations have been directed to concentrate upon Russian targets which, under the circumstances, inevitably detracts from the coverage of their own area. Yet even with such concentration, the coverage of the whole Russian problem can only be said to be inadequate.

While the emphasis of this justification is on procurement of intelligence and on overseas activity, it is felt that one factor must be brought out on the home side. Although coverage has been called inadequate above, even so quantities of material are constantly received in Washington. Under the present personnel and budget restrictions, the Washington office is so under-staffed that

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it cannot process what reports are received in order to reach the consumers with information either as quickly or as thoroughly analyzed and apprecised as current world problems require. Expansion in the field, therefore, would be a complete waste if Washington were to remain a bottlemeck. 25X1A1a The possibilities under the budget were discussed above. It is believed inherent in this description that the situation, far from being improved, cannot even be maintained at its current level but must deteriorate without some assistance. Consideration has been given to the fact that an 25X1A1a 25X1A1a additional might be available, bringing the total for the fiscal year 1947 to In view of the previous discussion, it is felt that this amount would not give effective support to increased coverage. It would ease somewhat the burden on the current staff and anable them to improve somewhat the production of intelligence. In other words, it would serve merely to offset the deleterious 25X1A1a limitation but not increase the present organization. Consequently, for effect of the is used as the basic figure on which purposes of discussion of this budget, the figure of the proposed world-wide coverage would be built. The current organization is essentially the nucleus about which to build for the future, and its framework must be maintained for efficient establishment of an interlocking world-wide system. III. Priorities. It should be made clear that the top priority targets have objectives more important than those assigned to current operations, but of necessity they cannot be efficiently established without building on the current framework.

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Target No. 1 is broken down into five sub-targets, as all have the same basic end in view but approach it from different areas or angles, and consequently meong themselves have a slightly different degree of priority. A summary for requirements of the targets is listed below:

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TARGET No. 1 (a)...
Target No. 1(b)...
Target No. 1(c)...
Target No. 1(d)...
Target No. 1(e)...

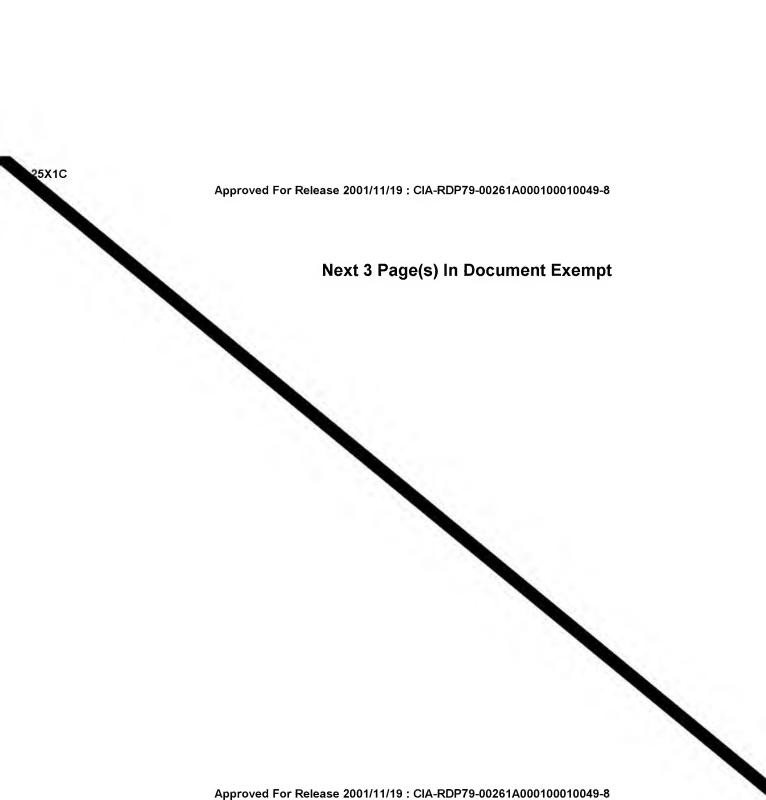
TARGET No. 2

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Total

Total

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TARGET		1ST QUARTER	2ND QUARTER	SED QUARTER	LTH QUARTER	TOTAL
l(a)	Personnel Operating Recruiting, training, etc. Totals					
1(b)	Personnel Operating Recruiting, training, etc. Totals					
1(c)	Personnel Operating Recruiting, training, etc. Totals					
1(d)	Personnel Reser Operating Recruiting, training, etc. Totals					
1(•)	Personnel Operating Recruiting, training, etd. Totals					

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	TARGET		1ST QUARTER	2MD QUARTER	3rd QUARTER	4th QUARTER	TOTAL
II	Personnel Operating	25X1A1a					
	Recruiting, etc. Totals	training,					
III	Personnel Operating Recruiting, etc. Totals	training,		And the second s			
			2	5X1A1a			

Note 1. Starred figures are estimates of obligations during the quarter for recruiting, training, investigation, and assessment of personnel as well as actual expenses of such personnel before final establishment in the field.

Note 2. Fiscal year 1947 requirements are figured on an average cost of per annum, per person in the field, for all unvouchered expenditures. This is a reasonable basis for overall estimates while building up operations, although object number breakdowns will be cut of proportion, with 02, 03, 08, and 09 disproportionately high during the formative periods, and 04 and 07 correspondingly low. Once established, experience shows that the averages for different areas will vary somewhat. farget 1(a), Russia, will be high as 04 and 07 will be nost expensive and it will be necessary to maintain a sizable reserve against insurance which cannot be referred to USECC for security reasons. On the other hand, 1(b), is expected to fall below average cost, partly because of military facilities available, partly because experience indicates 07 expenses are lower in that area.

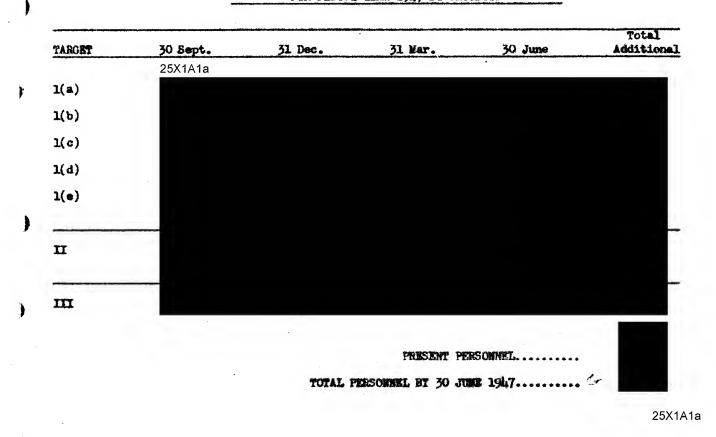
25X1C

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ESTIMATED ADDITIONAL PERSONNEL FIGURES BY QUARTERS

FOR FISCAL YEAR 1947 BY PROJECTS



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PERSONNEL ESTIMATES

N. Eur.
C. Eur.
SE Eur.

ME

Afr.

PE SKA

ISA

